



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 12, 2005

Jay Marshall, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501

Subject: Overland Conveyor, Loadout and Rail Spur Determination, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Outgoing File

Dear Mr. Marshall:

The Division received a letter from Denise Dragoo on June 3, 2005 outlining UEI's position that a proposed overland conveyor, loadout and rail spur, would not fall within the definition of "surface coal mining operations". In order for the Division to make a determination on permitting of these proposed facilities, it will be necessary for UEI to make a formal proposal, i.e. to submit an amendment to the Lila Canyon extension application. With a hard proposal in front of us, the Division will be able to review and analyze the applicability of coal mine permitting.

If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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